

Builders Support a Flexible Title-24

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California Energy Commission Goals

- CA is leading the nation, national builders pay attention
 - ZNE low-rise residential by 2020
 - Leading building energy efficiency (T-24)
 - Flexible code allows builders to build at lowest cost/risk
 - 33% of retail energy sales from renewable by 2020
 - Smart Grid, storage, and other infrastructure that integrates renewable energy
 - Removing nontechnical barriers to emerging clean energy solutions

Lennar & Sunstreet

- Lennar is the 2nd largest homebuilder nationally
- SunStreet is a wholly owned subsidiary of Lennar dedicated to installing solar on all solar viable Lennar's homes.
 - Currently serving approximately 70% of Lennar's CA new single family homes ~ 2600 CA solar homes in 2015
 - PPA model has made solar attractive to our customers
 - Leading technology partners:
 - Enphase – micro-inverters, storage, smart grid
 - Unirac – racking solutions
 - Hyundai – modules
- Lennar CA subdivisions use solar as marketing plus, not to decrease other energy features (insulation or windows)

House Cost is Important!

- As homes become more efficient the cost of reducing consumption rises while the cost of solar continues to decrease.
- The increase cost of housing continues to price more and more people out of the new home market.
 - A \$1,000 increase in house cost excludes 14,423 households in California (NAHB August 2014 Study)
- 2016 Title 24 will increase house costs by \$3,000 to \$5,000 in CA – disqualifying 43,000 to 72,000 households
- High Performance Attics are not a 100% proven technology and may place builders at risk in some climate zones.
- Lennar supports flexible trade-offs in T-24 to build best product at lowest cost and lowest risk.

Our Proposal

- Maintain flexibility in T-24
- Lennar supports allowing additional energy efficiency credits for solar:
 - Production of energy is more cost effective than some energy conservation technologies.
 - PPA's and leases increase solar affordability and thus increase the number of eligible home buyers.
 - The SunStreet 20/20 plan has no cost to the consumer and offers them a 20% discounted rate on their rooftop production.
- Increased credit creates a strong drive for solar:
 - Installed system size will increase
 - More new homes will have solar as we move towards ZNE in 2020